(b) Does not arise.

(c) Shortfall in production and productivity of sugarcane owing to adverse weather conditions has resulted in low production of sugar in the last sugar season 2008-09 and is also likely to impact production of sugar during the current sugar season 2009-10. This has led to mismatch between demand and availability of sugar leading to escalation in sugar prices. International prices have also firmed up during 2008-09 sugar season due to drop in global production which have made imports dear.

Impact of subsidy on palm oil import

3307. SHRI M.P. ACHUTHAN:

SHRI K.E. ISMAIL:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is aware that the liberal import policy and the generous subsidy extended to palm oil imports is leading to a critical situation for the coconut farmers in Kerala;

(b) if so, whether the State Government of Kerala has demanded from Centre to provide subsidy to the coconut oil as is given to imported palm oil; and

(c) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) Government subsidy this year has been extended only to a small quantity of edible oil imported under the Scheme for distribution of imported edible oils through States/UTs, implemented in order to moderate prices of edible oils in the country and to augment its domestic availability. In 2009-10 only about 74,868 tons of refined palmolein has been imported under the Scheme so far. About 45% of edible oils consumed in the country is imported. In 2008-09 (Nov. to Oct.) 65,35,448 tons of palm oils was imported. Export of major edible oils is banned since 17.3.2008. Further, import of palm oil is prohibited through Kerala ports and export of coconut oil is permitted through Cochin port.

(b) and (c) The Government of Kerala, *vide* its letters dated 29.3.2008, 23.6.2009 and 25.6.2009 had requested that the subsidy given under this Scheme may be allowed for coconut oil. Hon'ble Chief Minister of Kerala, *vide* his D.O. letter dated 12.8.2008 had also requested to extend the subsidy of Rs. 15/- per kg. for distribution of coconut oil through the Public Distribution System of Kerala.

The Government of Kerala had been informed that the subsidy under the 'Scheme for distribution of subsidised imported edible oils through States/UTs' is restricted to edible oils imported by PSUs and supplied to the States/UTs for distribution, and that the Scheme had no provision to subsidise domestic oils including coconut oil.